not exceed twenty five percent of its equity share capital and the State government or the cooperative credit structure entity may reduce the State Government's subscription further at its choice:

"Provided further that in case of a State Cooperative Bank which is unable to comply with the requirements of sub-section (1) of Section 11 of Banking regulation Act, 1949(Central Act 10 of 1949), the State Government can contribute equity only to the extent required to enable a State Cooperative Bank to comply with the requirements of sub-section (1) of Section 11 of Banking Regulation Act, 1949, (Central Act, 10 of 1949)".

Amendment of Section 56.

19. In the principal Act, in section 56, - (i)for the existing sub-section (1), the following sub-section shall be substituted, namely:-
(1) 'A society shall have autonomy in formulating its own personnel policy including recruitment and compensation to the staff'.
(ii) in sub-section (2) the following proviso shall be inserted, namely:-

'Provided that the provisions of this sub-section shall not apply to a cooperative credit structure society'.

Amendment of Section 57.

20. In the principal Act, section 57 shall be renumbered as sub-section (1) of that section and after the sub-section (1) as so renumbered the following sub-section shall be inserted, namely:-
(2) **'Notwithstanding anything contained in sub-section (1), a primary agricultural credit society shall pay a dividend to its members in accordance with the guidelines laid down by the Registrar in consultation with the National Bank'.**

Amendment of Section 58.

21. In the principal Act, in Section 58 the following proviso shall be inserted, namely:-

'Provided that the provisions of this Section shall not be applicable to a cooperative credit structure society'.

Amendment of Section 59.

22. In the principal Act, in section 59 the following proviso shall be inserted, namely:-

'Provided that the provisions of this Section shall not be applicable to a cooperative credit structure society'.

Amendment of Section 60.

23. In the principal Act, in sub-section (1) of section 60,-
(i) for the existing clause (e) the following clause shall be substituted, namely;-
"(e) with any bank or Reserve Bank regulated financial institution of its choice;'
(ii) clause (f) shall be omitted;
(iii) after clause **(g)** the following proviso shall be inserted, namely:-

'Provided that while making investments, a State Cooperative Bank will follow guidelines stipulated by Reserve Bank.'

Amendment of Section 61.

24. In the principal Act, in section 61,-(1) in sub-section (1), the words 'with the general or special sanction of the Registrar'; shall be omitted;

(2) after the first proviso the following proviso shall be inserted, namely:-

'Provided further that the cooperative credit structure society may take appropriate decision regarding its loan policies including individual loan decision to its member, keeping in view the interest of the society and its members'.

(3) after sub-section (2); the following new sub-section shall be inserted, namely:-

"(3) (a) An individual or group depositor in a primary agricultural credit society shall become a member of the society under sub-section (1) of Section 20 by subscribing at least the minimum share capital specified in the bye-laws and on holding a minimum deposit as may be prescribed by the Government from time to time for a continuous minimum period as may be prescribed preceding the date of notification of election shall have full voting rights.

(b) An individual or a group borrower shall become a member of a primary agricultural credit society under sub-section (1) of Section 20 by subscribing the prescribed share capital specified in the bye-laws and shall have full voting rights.

(c) Every group depositor or group borrower admitted as a member under sub-section (1) of Section 20 shall be entitled to vote through one delegate nominated by the group:

Provided that a depositor member of a primary agricultural credit society shall be eligible for loans on par with other members.

"(4) 'The prudential norms including Capital to Risk Weighted Assets Ratio shall be prescribed by the Registrar for all the primary agricultural credit societies in consultation with the National Bank."

Amendment of Section 62.

25. In the principal Act, Section 62 shall be renumbered as sub-Section(1) of that section and after the sub-section (1) as so renumbered the following sub-sections shall be inserted, namely:-

(2) Notwithstanding anything contained in sub-section (1), a cooperative credit structure society shall have freedom to raise loan from any bank or Reserve Bank regulated financial

institution, refinance from National Bank or any other refinance agencies directly or through any institution of its choice and not necessarily from only the society to which it is affiliated.

Amendment of Section 63.

26. In the principal Act, in section 63, after the words "Transactions of a society" and before the words "with any person" the words 'except State Cooperative Bank' shall be inserted.

Amendment of Section 64.

27. In the principal Act, in section 64,(i) in sub-section (1),the following clauses shall be inserted, namely:-

(a) A primary agricultural credit society shall get its accounts audited at least once in each year by the Registrar or by a person authorized by him by general or special order in writing in this behalf or by a Chartered Accountant appointed by its committee.

(b) Notwithstanding anything contained in sub-section (1), the accounts of a State Cooperative Bank shall be audited and certified by Chartered Accountants appointed by its committee from the panel approved by the National Bank.

(c) The Registrar shall get conducted a special audit of a State Cooperative Bank on the request of the Reserve Bank in the manner and form stipulated by the Reserve Bank and shall endorse a copy of the report of such special audit to the Reserve Bank and National Bank within the time stipulated by the Reserve Bank.

(ii) In sub-section (5), after the words, "under sub-section (1) and before the words "to audit the accounts", the words 'or the auditor or chartered accountant appointed under clauses (a) (b) and (c) shall be inserted.

Amendment of Section 71.

28. In the principal Act, in section 71,(i) in sub-section (1), before the words where the course of an audit, the words 'Except in case of Cooperative credit structure society'; shall be inserted.

(ii) after sub-section (3) the following sub-sections shall be inserted, namely:-

(4)The Registrar shall ensure that Reserve Bank's regulatory prescriptions in the case of a State Cooperative Bank including recommendation for super session of the committee or winding up of a State Cooperative Bank and appointment of the Administrator or the Liquidator, as the case may be, are implemented within one month from the date of receipt of the advice from the Reserve Bank.

(5) The Registrar shall, within two months of being advised by the Reserve Bank or the National Bank, ensure removal of Chief Executive Officer of a State Cooperative Bank who does not fulfill eligibility criteria specified by the Reserve Bank.

(6) The Registrar shall, within two months of being advised so by the Reserve Bank or the Nation Bank, ensure removal of any person elected or co-opted as a member of the Board under sub-section (1A) of Section 90 without having the requisite knowledge or experience as stipulated by the Reserve Bank.

Amendment of Section 88.

29. In the principal Act, in sub-section (4) of section 88, the words, 'or outside Sikkim' shall be omitted and for the words 'the previous sanction of the Registrar' the words 'the approval of RBI' shall be substituted.

Amendment of Section 89.

30. In the principal Act, section 89 shall be omitted.

Amendment of Section 90.

31. In the principal Act, for the existing section 90 the following shall be substituted, namely:- "90 (1) The Board of a State Cooperative Bank shall consist of 11 members of whom 1 shall be nominated by the Government,8 shall be representatives of primary agricultural credit societies of which 1 shall be woman representative elected from amongst the women Presidents of primary agricultural credit societies and if no such woman is elected one Woman Director having some experience and background about cooperative to be co-opted by the Board of the Directors of the State Cooperative Bank, and one shall be representative of members other than societies to be elected or nominated as per the byelaws of the Bank, and a Managing Director.

(2) There shall be at least such number of professionals having special knowledge or experience in such fields as may be stipulated by the Reserve Bank on the committee of a State Cooperative Bank and in case such number of elected directors do not, in the opinion of Reserve Bank or National Bank, possess special knowledge or experience in such fields as may be stipulated by the Reserve Bank, the Committee of a State Cooperative Bank shall co-opt such number of professionals with full voting rights irrespective of-

(i) the limit on the number of members of the committee under this Act or rules framed there under or its byelaws,
(ii) whether such professional is a member of the society or not.

(3) Notwithstanding anything contained in this Act, the Chief Executive Officer and the members of the committee of a State Cooperative Bank shall fulfill the criteria stipulated by the Reserve Bank for the time being in force and such person who, in the opinion of the Reserve Bank or the National Bank, does not fulfill the criteria stipulated by the Reserve Bank shall be removed on advice of the Reserve Bank or the National Bank.

Omission of Section 96

32. In the principal Act, section 96 shall be omitted.

Amendment of Section 96 (A).

33. In the principal Act, (i) in section 96A (i); the words **'subject to the provisions of section 89'** shall be omitted".
(ii) the sub-section (2) of section 96A shall be omitted.

Amendment of Section 101.

34. In the principal Act, in section 101, (i) in sub-section (2)for the words "two hundred rupees" the words 'Five thousand rupees' and for the words and figure "rupees 25" the words "rupees one hundred" shall respectively be substituted.

(ii) in sub-section (3) for the words "two hundred rupees" the words "five thousand rupees " shall be substituted;

(iii) in sub-section (4) for the words " two hundred rupees", the words "two thousand rupees" shall be substituted;

(iv) in sub-section (5) for the words 'five hundred rupees' the words 'five thousand rupees' and for the words and figure ' Rs. 25 the words "rupees one hundred" shall respectively be substituted;

(v) in sub-section (6) for the words 'two hundred rupees' the words two thousand rupees shall be substituted;

(vi) in sub-section (7)for the words 'two hundred rupees' the words two thousand rupees shall be substituted;

(vii) in sub-sections (8) and (9), for the words five hundred rupees wherever they occur the words five thousand rupees or 10% of the share money collected whichever is less' shall be substituted;

(viii) in sub-section (10) for the words one thousand rupees the words ten thousand rupees shall be substituted.

Amendment of Section 111.

35. In the principal Act, section 111 shall be renumbered as sub-section (1) of that section and after the sub-section (1) as so renumbered the following sub-section shall be inserted, namely:-

(2) No cooperative credit structure society shall be exempted by the Government from the application of the provisions of this Act without the prior approval of the Reserve Bank or the National Bank.

By Order.

R.K. PURKAYASTHA (SSJS)
LR-cum-SECRETARY
Law Department

File No. 16 (82)/ LD/P/2009

SIKKIM

GOVERNMENT GAZETTE

EXTRAORDINARY
PUBLISHED BY AUTHORITY

Gangtok **Thursday 22nd April, 2010** **No. 171**

GOVERNMENT OF SIKKIM
LAW DEPARTMENT
GANGTOK

No. 5/LD/P/2010 **Date: 21.4.2010**

NOTIFICATION

The following Act passed by the Sikkim Legislative Assembly and having received the assent of the Governor on the 30th day of March, 2010 is hereby published for general information:-

THE SIKKIM COOPERATIVE SOCIETIES (AMENDMENT) ACT, 2010

ACT NO. 5 OF 2010

AN ACT

further to amend the Sikkim Cooperative Societies Act, 1978.

Be it enacted by the Legislature of Sikkim in the Sixty-first Year of the Republic of India as follows:-

Short title and commencement

1. (1) This Act may be called the Sikkim Cooperative Societies (Amendment) Act, 2010.
(2) It extends to the whole of Sikkim.
(3) It shall come into force at once.

Amendment of Section 117

2. In the Sikkim Cooperative Societies Act, 1978, sub-section (1) of section 117 shall be omitted.

R.K. PURKAYASTHA (SSJS)
LR-cum-Secretary
Law & Parliamentary Affairs Department

S.G.P.G. -171/Gazette/100 Cps./22.04.2010

SIKKIM

GOVERNMENT GAZETTE

EXTRAORDINARY
PUBLISHED BY AUTHORITY

Gangtok | Saturday 30th April, 2011 | No. 220

GOVERNMENT OF SIKKIM
LAW DEPARTMENT
GANGTOK

No. 3/LD/P/11 Dated: 26/04/2011.

NOTIFICATION

The following Act passed by the Sikkim Legislative Assembly and having received the assent of the Governor on 30th day of March, 2011 is hereby published for general information:-

THE SIKKIM COOPERATIVE SOCIETIES (AMENDMENT) ACT, 2011

(ACT NO. 3 OF 2011)

AN

ACT

further to amend the Sikkim Cooperative Societies Act, 1978.

Be it enacted by the Legislature of Sikkim in the Sixty-second Year of the Republic of India as follows:-

Short title and commencement

1. (1) This Act may be called the Cooperative Societies (Amendment) Act, 2011.

(2) It shall come into force at once.

Amendment of section 26

2. In the Sikkim Sikkim Cooperative Societies Act, 1978, herein after referred to as the said Act, in section 26; for the figure and the words, 'Rs. 1.00 (one) lakh', the figure and the words '5% of the total Paid-Up Share Capital' shall be substituted.

Insertion of new section 26 A

3. In the said Act, after section 26, the following new section '26 A', shall be inserted namely:-

'Issue of preferential shares'

'26 A The Urban Cooperative Bank (s) after registration, in addition to raising share capital from its/their individual members may also issue Preferential Shares of the following types, namely:-

(i) Perpetual Non-Cumulative Preferential Shares (PNCPS);

(ii) Perpetual Cumulative Preferential Shares (PCPS);

(iii) Redeemable Non-Cumulative Preferential Shares (RNCPS);

(iv) Redeemable Cumulative Preferential Shares (RCPS):

Provided that the Urban Cooperative Banks shall not be entitled to subscribe the Preferential Shares of other Urban Cooperative Bank (s).'

R.K. Purkayastha, (SSJS)
L.R-cum-Secretary
Law Department.

File 16 (82) LD/P/77-11

SIKKIM

GOVERNMENT GAZETTE

EXTRAORDINARY
PUBLISHED BY AUTHORITY

Gangtok | Thursday 20th June, 2013 | No. 296

LAW DEPARTMENT
GOVERNMENT OF SIKKIM
GANGTOK

No. 06/LD/P/13 Dated: 11.06.2013

NOTIFICATION

The following Act passed by the Sikkim Legislative assembly and having received the assent of the Governor on 18th day of May, 2013 is hereby published for general information:-

THE SIKKIM COOPERATIVE SOCIETIES (AMENDMENT) ACT, 2013

ACT NO. 6 OF 2013

AN

ACT

further to amend the Sikkim Cooperative Societies Act, 1978.

Be it enacted by the Legislature of Sikkim in the Sixty-fourth Year of India as follows:-

Short title, extent and commencement

1. (1) This Act may be called the Sikkim Cooperative Societies (Amendment) Act, 2013.

(2) It extends to the whole of Sikkim.

(3) It shall come into force at once.

Amendment of section 2.

2. In the Sikkim Cooperative Societies Act, 1978,(hereinafter referred to as 'the said Act'); in section 2,-

(i) after clause (b), the following clause shall be inserted, namely:- "(bb) 'Board' means the Board of Director or the governing body of a Cooperative Society, by whatever name called, to which the direction and control of the management of the affairs of a society is entrusted to."

(ii) after clause (v), the following clause shall be inserted, namely:- "(vv) 'State Level Cooperative Society' means a Cooperative Society having its area of operation extending to the whole of the State."

Amendment of section 21.

3. In the said Act, after sub-section (3) of Section 21, the following sub-section shall be inserted, namely:-

"(4) A member who fails to attend a minimum number of meetings of the Society or to participate in its activities by availing a minimum quantum of its services, as may be specified in its bye-laws, shall be disqualified from continuing as a member and shall cease to be a member from that day a declaration to that effect is made by a resolution passed by the General Body meeting."

Amendment of section 26.

4. In the said Act, in section 26:-

(i) for the words and figure 'such portion of the total share capital of the Society which exceed one-fifth thereof or Rs.20,000/- whichever is less except in case of Urban Cooperative Bank where the maximum ceiling will be Rs.1.00(one)lakh', the words and figure, '5% of the total paid-up share capital' shall be substituted;

(ii) the proviso shall be omitted.

Insertion of new section 29A. 'Right of a member to get information'

5. In the said Act, after section 29,a section shall be inserted, namely:-
"29A Every member of a Society shall have access to its account books and other connected record and information kept in respect of transactions with that member; and the Chief Executive shall make arrangements for the inspection of such records and documents by the member on his request."

Amendment of section 32.

6. In the said Act, in sub-section(1) of section 32, for the words, 'after the date fixed for making up its accounts for the cooperative year under the rules for the time being in force' the words, 'from the closing of the cooperative year', shall be substituted.

Amendment of section 34.

7. In the said Act, after sub-section (1) of section 34, the following sub-sections shall be inserted, namely:-"

"(1a) The election of a Board shall be conducted before the expiry of the term of the board so as to ensure that the newly elected members of the Board assume office immediately on the expiry of the office of members of the outgoing Board;

(1b) The Board shall consist of such number of Directors as may be prescribed by the bye-laws:
Provided that the maximum number of Directors of a Cooperative Society shall not exceed twenty-one members.

(1c) One seat for the Scheduled Castes or the Scheduled Tribes and two seats for women on Board of every Cooperative Society consisting of individuals as members shall be kept reserved to be filled by members from such class or category of persons."

Amendment of section 35.

8. In the said Act, in section 35,

(i) for the word 'three', the word 'five', shall be substituted;

(ii) after the existing proviso, the following proviso shall be inserted, namely:-

' Provided further that the Board may fill a casual vacancy on the Board by nomination out of the same class of members in respect of which the casual vacancy has arisen, if the term of office of the Board is less than half of its original term.'

Amendment of section 38.

9. In the said Act, after sub-section (3) of section 38, the following sub-section shall be inserted, namely;-

'(4) The board shall co-opt certain persons to be members of the board who may be having experience in the field of banking, management, finance or specialization in any other field relating to the objects and activities undertaken by the Cooperative Society:

Provided that the number of such co-opted members shall not exceed 2(two) in addition to 21 (twenty-one) directors and these members shall not have the right to vote in any election of the Cooperative Society in their capacity as such member or be eligible to be elected as office bearers of the Board:

Provided further that the functional directors of a Cooperative Society shall also be the members of the Board and such members shall be excluded for the purpose of counting the total number of directors specified in the proviso to sub-section (1b) of section 34.'

Amendment of section 39.

10. In the said Act, after clause (c) of sub-section (6) of section 39,following shall be inserted, namely;-

'(d) The Board of other Cooperative Societies except as mentioned in clause (b) above, the Board may be superseded or kept under suspension in case-

(i) of its persistent default; or
(ii) of negligence in the performance of its duties; or
(iii) the Board has committed any act prejudicial to the interest of the Cooperative Society or its members; or
(iv) there is stalemate in the constitution or functions of the Board; or
(v) the authority or officers as provided under sub-section (1) of section 34 has failed to conduct elections in accordance with the provisions of the Act:

Provided that the Board of any such Cooperative Society shall not be superseded or kept under suspension where there is no Government shareholding or loan or financial assistance or any guarantee by the Government:

Provided further that in case of a Cooperative Society carrying on the business of banking, the provisions of the Banking Regulation Act, 1949 shall also apply.'

Amendment of Section 55

11. In the said Act, in section 55 after the existing clause (f) the following clause shall be inserted, namely:-

"(g) The State Government shall take steps for the education and training of members of Societies in Cooperative matters and shall make an annual contribution to the State Cooperative Union which shall be expended in providing training and on information, education and communication activities to educate the public in various aspects of cooperation."

Amendment of section 64.

12. In the said Act, in section 64,

(i) In clause (a) of sub-section 1, for the words 'A primary agricultural credit society' the words, 'All cooperative societies' shall be substituted, and after the words 'by its committee' the words 'from the panel of Chartered Accountants maintained by the Government' shall be inserted;

(ii) after clause (c),the following clauses shall be inserted, namely-;

"(d) The accounts of every Cooperative Society shall be audited within 6(six) months of the close of the financial year to which such accounts relate.

(e) The audited annual statement of accounts of each apex society, alongwith the observations of the auditors thereon, if any, shall be laid before the Legislative Assembly for one full session."

Insertion of section64 A 'Societies to furnish returns'

13. In the said Act, after section 64, a new section shall be inserted namely;-

"64A Every Society shall furnish to the prescribed authority, within 6(six) months from the close of each cooperative year;-

(a) a report on its activities during the year;
(b) an audited statement of Accounts for the year;
(c) its plan for disposal of surplus generated during the year approved by the General Body;
(d) a statement of amendments made to the Byelaws;
(e) a declaration regarding holding general body meeting and conduct of elections, if due; and
(f) Any other report prescribed under the rules and other information as required by the Registrar under the provisions of the Act."

Amendment of section 117

14. In the said Act, in section 117,the following shall be inserted, namely:-

'(1) The Government may, for the whole or any part of the State of Sikkim and for any class of societies, make rules to carry out the purposes of these Act.'

R. K. Purkayastha
Advisor-cum-Principal Secretary,
Law & Parliamentary Affairs Department.

S.G.P.G. - 296/ Gazette/ 30 Cps./ 20.06.2013

THE SUBSEQUENT AMENDMENTS TO THE SIKKIM CO-OPERATIVE SOCIETIES ACT, 1978 (ACT NO. 12 OF 1978) AMENDED AND UPDATED UPTO JUNE, 2013